

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1048

Introduced by Bourne, 8

Read first time January 11, 2006

Committee: General Affairs

A BILL

1 FOR AN ACT relating to gambling; to amend sections 9-307, 9-313,
2 9-317, 9-332, 9-332.01, 9-333, 9-334, 9-336, 9-337,
3 9-340, 9-342, 9-343, 9-345.02, 9-348, 9-350, 9-351,
4 9-352, 28-1101, and 77-3001, Reissue Revised Statutes of
5 Nebraska, and sections 9-301, 9-303, 9-304, 9-315, 9-322,
6 9-329.02, 9-331, 9-338, 9-340.02, 9-345.01, 9-345.03,
7 9-346, 9-347, and 9-349, Revised Statutes Cumulative
8 Supplement, 2004; to change provisions relating to the
9 Nebraska Pickle Card Lottery Act; to authorize the use of
10 electronic pickle card devices as prescribed; to define
11 and redefine terms; to provide and change powers and
12 duties; to harmonize provisions; to provide severability;
13 and to repeal the original sections.
14 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) The department may authorize the use
2 of any coin-operated or currency-operated electronic pickle card
3 device which:

4 (a) Electronically dispenses a pickle card by providing
5 for the electronic opening of the pickle card by moving a
6 finger over the pickle card which is electronically displayed.
7 An electronic pickle card device that electronically dispenses a
8 pickle card shall issue a ticket which provides tangible evidence
9 of participation and which bears the name and state identification
10 number of the licensed organization, the date and time of purchase,
11 whether the ticket is a winning or losing ticket, and, if it is
12 a winning ticket, the amount of the prize and a secure electronic
13 code that must be validated and redeemed by the cashier on the
14 premises; or

15 (b) Serves as a pickle card technological aid which
16 (i) contains a pickle card encrypted with a bar code, reads the
17 bar code encryption of such pickle card to determine a winning
18 or losing card, and dispenses such card to the person playing
19 the machine, (ii) is unable to function without containing pickle
20 cards, and (iii) requires a person to open, pull, detach, or
21 otherwise remove one or more tabs from the card, board, or ticket.
22 If it is a winning pickle card, such card shall be validated and
23 redeemed by a cashier on the premises.

24 (2) No electronic pickle card device authorized by this
25 section shall dispense coins, currency, or tokens nor shall such

1 device accumulate credits for winning pickle cards. No electronic
2 pickle card device authorized by this section shall determine
3 chance or perform random generation. No electronic pickle card
4 device authorized by this section shall have a top or candle light
5 located on the upper surface of the device, have a handle located
6 on the side of the device which may or may not be pulled, or
7 display at any time spinning reels.

8 (3) A licensed organization is limited to no more than
9 two electronic pickle card devices for each location at which the
10 organization conducts a lottery by the sale of pickle cards, and
11 each location is limited to no more than two electronic pickle card
12 devices. Such devices shall be purchased and owned by the licensed
13 organization.

14 (4) The department shall adopt and promulgate rules and
15 regulations to establish construction standards and specifications
16 for electronic pickle card devices authorized by this section. Such
17 devices shall comply with all provisions of the Nebraska Pickle
18 Card Lottery Act.

19 Sec. 2. Electronic pickle card device means a device
20 authorized pursuant to section 1 of this act.

21 Sec. 3. Section 9-301, Revised Statutes Cumulative
22 Supplement, 2004, is amended to read:

23 9-301 Sections 9-301 to 9-356 and sections 1 and 2 of
24 this act shall be known and may be cited as the Nebraska Pickle
25 Card Lottery Act.

1 Sec. 4. Section 9-303, Revised Statutes Cumulative
2 Supplement, 2004, is amended to read:

3 9-303 For purposes of the Nebraska Pickle Card Lottery
4 Act, unless the context otherwise requires, the definitions found
5 in sections 9-304 to 9-321.03 and section 2 of this act shall be
6 used.

7 Sec. 5. Section 9-304, Revised Statutes Cumulative
8 Supplement, 2004, is amended to read:

9 9-304 Allowable expenses shall mean:

10 (1) All costs associated with the purchasing, printing,
11 or manufacturing of any items to be used or distributed to
12 participants;

13 (2) All office expenses;

14 (3) All promotional expenses;

15 (4) All salaries of persons employed to operate the
16 lottery by the sale of pickle cards;

17 (5) Any rental or lease expense;

18 (6) Any fee paid to any person associated with the
19 operation of any lottery by the sale of pickle cards, including any
20 commission paid to a sales agent and any expense for which a sales
21 agent is reimbursed;

22 (7) Any delivery or shipping charge incurred by a
23 licensed organization in connection with the lottery by the sale of
24 pickle cards;

25 (8) Any license fees paid to the department to license

1 the organization, each utilization-of-funds member, and each sales
2 agent and any pickle card dispensing device registration fees paid
3 to the department to register devices utilized at the licensed
4 organization's designated premises or its bingo occasions; and

5 (9) Any repair or maintenance of a pickle card dispensing
6 device ~~repairs or maintenance~~ or electronic pickle card device paid
7 by the licensed organization.

8 Sec. 6. Section 9-307, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 9-307 Distributor shall mean any person licensed pursuant
11 to section 9-330~~7~~ who purchases or otherwise obtains pickle
12 card units or electronic pickle card devices from manufacturers
13 and sells, distributes, or otherwise provides pickle card units
14 or electronic pickle card devices in this state to licensed
15 organizations.

16 Sec. 7. Section 9-313, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 9-313 Manufacturer shall mean any person who assembles
19 from raw materials or subparts a completed piece or pieces of
20 pickle cards and pickle card units or electronic pickle card
21 devices.

22 Sec. 8. Section 9-315, Revised Statutes Cumulative
23 Supplement, 2004, is amended to read:

24 9-315 (1) Pickle card shall mean any ~~disposable~~ card,
25 board, or ticket which accords a person an opportunity to win

1 a cash prize by (a) opening, pulling, detaching, or otherwise
2 removing one or more tabs from the card, board, or ticket or
3 (b) opening a pickle card which is electronically dispensed by
4 the use of an electronic pickle card device by moving a finger
5 over the face of the displayed pickle card to reveal a set of
6 numbers, letters, symbols, or configurations, or any combination
7 thereof, and shall include, but not be limited to, any card known
8 as a pickle ticket, pickle, break-open, pull-tab, pull-tab board,
9 punchboard, seal card, pull card, or any other similar card, board,
10 or ticket which is included under this section, whether referred to
11 by any other name.

12 (2) Pickle card shall not mean or include any:

13 ~~(1)~~ (a) Card used in connection with bingo conducted
14 pursuant to the Nebraska Bingo Act, except as provided in section
15 9-346;

16 ~~(2)~~ (b) Racing ticket or wager in connection with any
17 horserace conducted pursuant to Chapter 2, article 12;

18 ~~(3)~~ (c) Scrape-off or rub-off ticket;

19 ~~(4)~~ (d) Card, ticket, or other device used in connection
20 with any kind of gambling, lottery, raffle, or gift enterprise
21 authorized or regulated under the Nebraska County and City Lottery
22 Act, the Nebraska Lottery and Raffle Act, the Nebraska Small
23 Lottery and Raffle Act, the State Lottery Act, or section 9-701; or

24 ~~(5)~~ (e) Card, ticket, or other device prohibited under
25 Chapter 28, article 11.

1 Sec. 9. Section 9-317, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 9-317 Pickle card unit shall mean a series or complete
4 set of pickle cards, which consists of all winning and losing cards
5 in a particular unit, set, series, deal, or scheme for a lottery by
6 the sale of pickle cards, in the receptacle, ~~or~~ box, or electronic
7 file in and with which the unit of pickle cards is sold, purchased,
8 or otherwise obtained by a distributor.

9 Sec. 10. Section 9-322, Revised Statutes Cumulative
10 Supplement, 2004, is amended to read:

11 9-322 The department shall have the following powers,
12 functions, and duties:

13 (1) To issue licenses and temporary licenses;

14 (2) To deny any license application or renewal
15 application for cause. Cause for denial of an application for or
16 renewal of a license shall include instances in which the applicant
17 individually or, in the case of a business entity or a nonprofit
18 organization, any officer, director, employee, or limited liability
19 company member of the applicant or licensee, other than an employee
20 whose duties are purely ministerial in nature, any other person or
21 entity directly or indirectly associated with such applicant or
22 licensee which directly or indirectly receives compensation other
23 than distributions from a bona fide retirement or pension plan
24 established pursuant to Chapter 1, subchapter D of the Internal
25 Revenue Code, from such applicant or licensee for past or present

1 services in a consulting capacity or otherwise, the licensee,
2 or any person with a substantial interest in the applicant or
3 licensee:

4 (a) Violated the provisions, requirements, conditions,
5 limitations, or duties imposed by the Nebraska Bingo Act, the
6 Nebraska County and City Lottery Act, the Nebraska Lottery and
7 Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska
8 Small Lottery and Raffle Act, or the State Lottery Act or any rules
9 or regulations adopted and promulgated pursuant to such acts;

10 (b) Knowingly caused, aided, abetted, or conspired with
11 another to cause any person to violate any of the provisions of
12 such acts or any rules or regulations adopted and promulgated
13 pursuant to such acts;

14 (c) Obtained a license or permit pursuant to such acts by
15 fraud, misrepresentation, or concealment;

16 (d) Was convicted of, forfeited bond upon a charge of, or
17 pleaded guilty or nolo contendere to any offense or crime, whether
18 a felony or misdemeanor, involving any gambling activity or fraud,
19 theft, willful failure to make required payments or reports, or
20 filing false reports with a governmental agency at any level;

21 (e) Was convicted of, forfeited bond upon a charge of, or
22 pleaded guilty or nolo contendere to any felony other than those
23 described in subdivision (d) of this subdivision within the ten
24 years preceding the filing of the application;

25 (f) Denied the department or its authorized

1 representatives, including authorized law enforcement agencies,
2 access to any place where pickle card activity required to be
3 licensed under the Nebraska Pickle Card Lottery Act is being
4 conducted or failed to produce for inspection or audit any book,
5 record, document, or item required by law, rule, or regulation;

6 (g) Made a misrepresentation of or failed to disclose a
7 material fact to the department;

8 (h) Failed to prove by clear and convincing evidence his,
9 her, or its qualifications to be licensed in accordance with the
10 Nebraska Pickle Card Lottery Act;

11 (i) Failed to pay any taxes and additions to taxes,
12 including penalties and interest, required by the Nebraska Bingo
13 Act, the Nebraska County and City Lottery Act, the Nebraska Lottery
14 and Raffle Act, or the Nebraska Pickle Card Lottery Act or any
15 other taxes imposed pursuant to the Nebraska Revenue Act of 1967;

16 (j) Failed to pay an administrative fine levied pursuant
17 to the Nebraska Bingo Act, the Nebraska County and City Lottery
18 Act, the Nebraska Lottery and Raffle Act, or the Nebraska Pickle
19 Card Lottery Act;

20 (k) Failed to demonstrate good character, honesty, and
21 integrity;

22 (l) Failed to demonstrate, either individually or, in the
23 case of a business entity or a nonprofit organization, through
24 its managers, employees, or agents, the ability, experience, or
25 financial responsibility necessary to establish or maintain the

1 activity for which the application is made; or

2 (m) Was cited and whose liquor license was suspended,
3 canceled, or revoked by the Nebraska Liquor Control Commission for
4 illegal gambling activities that occurred on or after July 20,
5 2002, on or about a premises licensed by the commission pursuant
6 to the Nebraska Liquor Control Act or the rules and regulations
7 adopted and promulgated pursuant to such act.

8 No renewal of a license under the Nebraska Pickle Card
9 Lottery Act shall be issued when the applicant for renewal would
10 not be eligible for a license upon a first application;

11 (3) To revoke, cancel, or suspend for cause any license.
12 Cause for revocation, cancellation, or suspension of a license
13 shall include instances in which the licensee individually or,
14 in the case of a business entity or a nonprofit organization,
15 any officer, director, employee, or limited liability company
16 member of the licensee, other than an employee whose duties are
17 purely ministerial in nature, any other person or entity directly
18 or indirectly associated with such licensee which directly or
19 indirectly receives compensation other than distributions from
20 a bona fide retirement or pension plan established pursuant to
21 Chapter 1, subchapter D of the Internal Revenue Code from such
22 licensee for past or present services in a consulting capacity
23 or otherwise, or any person with a substantial interest in the
24 licensee:

25 (a) Violated the provisions, requirements, conditions,

1 limitations, or duties imposed by the Nebraska Bingo Act, the
2 Nebraska County and City Lottery Act, the Nebraska Lottery and
3 Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska
4 Small Lottery and Raffle Act, the State Lottery Act, or any rules
5 or regulations adopted and promulgated pursuant to such acts;

6 (b) Knowingly caused, aided, abetted, or conspired with
7 another to cause any person to violate any of the provisions of
8 the Nebraska Pickle Card Lottery Act or any rules or regulations
9 adopted and promulgated pursuant to the act;

10 (c) Obtained a license pursuant to the Nebraska Pickle
11 Card Lottery Act by fraud, misrepresentation, or concealment;

12 (d) Was convicted of, forfeited bond upon a charge of, or
13 pleaded guilty or nolo contendere to any offense or crime, whether
14 a felony or misdemeanor, involving any gambling activity or fraud,
15 theft, willful failure to make required payments or reports, or
16 filing false reports with a governmental agency at any level;

17 (e) Was convicted of, forfeited bond upon a charge of, or
18 pleaded guilty or nolo contendere to any felony other than those
19 described in subdivision (d) of this subdivision within the ten
20 years preceding the filing of the application;

21 (f) Denied the department or its authorized
22 representatives, including authorized law enforcement agencies,
23 access to any place where pickle card activity required to be
24 licensed under the act is being conducted or failed to produce for
25 inspection or audit any book, record, document, or item required by

1 law, rule, or regulation;

2 (g) Made a misrepresentation of or failed to disclose a
3 material fact to the department;

4 (h) Failed to pay any taxes and additions to taxes,
5 including penalties and interest, required by the Nebraska Bingo
6 Act, the Nebraska County and City Lottery Act, the Nebraska Lottery
7 and Raffle Act, or the Nebraska Pickle Card Lottery Act or any
8 other taxes imposed pursuant to the Nebraska Revenue Act of 1967;

9 (i) Failed to pay an administrative fine levied pursuant
10 to the Nebraska Bingo Act, the Nebraska County and City Lottery
11 Act, the Nebraska Lottery and Raffle Act, or the Nebraska Pickle
12 Card Lottery Act;

13 (j) Failed to demonstrate good character, honesty, and
14 integrity;

15 (k) Failed to demonstrate, either individually or, in the
16 case of a business entity or a nonprofit organization, through
17 its managers, employees, or agents, the ability, experience, or
18 financial responsibility necessary to maintain the activity for
19 which the license was issued; or

20 (l) Was cited and whose liquor license was suspended,
21 canceled, or revoked by the Nebraska Liquor Control Commission for
22 illegal gambling activities that occurred on or after July 20,
23 2002, on or about a premises licensed by the commission pursuant
24 to the Nebraska Liquor Control Act or the rules and regulations
25 adopted and promulgated pursuant to such act;

1 (4) To issue an order requiring a licensee or other
2 person to cease and desist from violations of the Nebraska
3 Pickle Card Lottery Act or any rules or regulations adopted and
4 promulgated pursuant to such act. The order shall give reasonable
5 notice of the rights of the licensee or other person to request a
6 hearing and shall state the reason for the entry of the order. The
7 notice of order shall be mailed by certified mail to or personally
8 served upon the licensee or other person. If the notice of order is
9 mailed by certified mail, the date the notice is mailed shall be
10 deemed to be the date of service of notice to the licensee or other
11 person. A request for a hearing by the licensee or other person
12 shall be in writing and shall be filed with the department within
13 thirty days after the service of the cease and desist order. If
14 a request for hearing is not filed within the thirty-day period,
15 the cease and desist order shall become permanent at the expiration
16 of such period. A hearing shall be held not later than thirty
17 days after the request for the hearing is received by the Tax
18 Commissioner, and within twenty days after the date of the hearing,
19 the Tax Commissioner shall issue an order vacating the cease and
20 desist order or making it permanent as the facts require. All
21 hearings shall be held in accordance with the rules and regulations
22 adopted and promulgated by the department. If the licensee or
23 other person to whom a cease and desist order is issued fails to
24 appear at the hearing after being duly notified, the licensee or
25 other person shall be deemed in default and the proceeding may be

1 determined against the licensee or other person upon consideration
2 of the cease and desist order, the allegations of which may be
3 deemed to be true;

4 (5) To levy an administrative fine on an individual,
5 partnership, limited liability company, corporation, or
6 organization for cause. For purposes of this subdivision,
7 cause shall include instances in which the individual, partnership,
8 limited liability company, corporation, or organization violated
9 the provisions, requirements, conditions, limitations, or duties
10 imposed by the act or any rule or regulation adopted and
11 promulgated pursuant to the act. In determining whether to levy
12 an administrative fine and the amount of the fine if any fine
13 is levied, the department shall take into consideration the
14 seriousness of the violation, the intent of the violator, whether
15 the violator voluntarily reported the violation, whether the
16 violator derived financial gain as a result of the violation and
17 the extent thereof, and whether the violator has had previous
18 violations of the act, rules, or regulations. A fine levied on a
19 violator under this section shall not exceed one thousand dollars
20 for each violation of the act or any rule or regulation adopted and
21 promulgated pursuant to the act plus the financial benefit derived
22 by the violator as a result of each violation. If an administrative
23 fine is levied, the fine shall not be paid from pickle card lottery
24 gross proceeds of an organization and shall be remitted by the
25 violator to the department within thirty days after the date of the

1 order issued by the department levying such fine;

2 (6) To enter or to authorize any law enforcement officer
3 to enter at any time upon any premises where lottery by the sale
4 of pickle cards activity required to be licensed under the act is
5 being conducted to determine whether any of the provisions of such
6 act or any rules or regulations adopted and promulgated under such
7 act have been or are being violated and at such time to examine
8 such premises;

9 (7) To require periodic reports of lottery by the sale
10 of pickle cards activity from licensed manufacturers, distributors,
11 nonprofit organizations, sales agents, pickle card operators, and
12 any other persons, organizations, limited liability companies, or
13 corporations as the department deems necessary to carry out the
14 act;

15 (8) To require annual registration of electronic pickle
16 card devices and coin-operated and currency-operated devices
17 used for the dispensing of pickle cards, to issue registration
18 decals for such devices, to prescribe all forms necessary for
19 the registration of such devices, and to impose administrative
20 penalties for failure to properly register such devices;

21 (9) To examine or to cause to have examined, by any agent
22 or representative designated by the department for such purpose,
23 any books, papers, records, or memoranda relating to the conduct
24 of lottery by the sale of pickle cards of any licensee, to require
25 by administrative order or summons the production of such documents

1 or the attendance of any person having knowledge in the premises,
2 to take testimony under oath, and to require proof material for
3 its information. If any such person willfully refuses to make
4 documents available for examination by the department or its agent
5 or representative or willfully fails to attend and testify, the
6 department may apply to a judge of the district court of the county
7 in which such person resides for an order directing such person to
8 comply with the department's request. If any documents requested
9 by the department are in the custody of a corporation, the court
10 order may be directed to any principal officer of the corporation.
11 If the documents requested by the department are in the custody of
12 a limited liability company, the court order may be directed to any
13 member when management is reserved to the members or otherwise to
14 any manager. Any person who fails or refuses to obey such a court
15 order shall be guilty of contempt of court;

16 (10) Unless specifically provided otherwise, to compute,
17 determine, assess, and collect the amounts required to be paid as
18 taxes imposed by the act in the same manner as provided for sales
19 and use taxes in the Nebraska Revenue Act of 1967;

20 (11) To collect license application and license renewal
21 application fees imposed by the Nebraska Pickle Card Lottery Act
22 and to prorate license fees on an annual basis. The department
23 shall establish by rule and regulation the conditions and
24 circumstances under which such fees may be prorated;

25 (12) To inspect pickle cards and pickle card units as

1 provided in section 9-339;

2 (13) To confiscate, seize, or seal pickle cards, pickle
3 card units, ~~ex~~ coin-operated or currency-operated pickle card
4 dispensing devices, or electronic pickle card devices pursuant to
5 section 9-350;

6 (14) To adopt and promulgate such rules and regulations
7 and prescribe all forms as are necessary to carry out the Nebraska
8 Pickle Card Lottery Act; and

9 (15) To employ staff, including auditors and inspectors,
10 as necessary to carry out the act.

11 Sec. 11. Section 9-329.02, Revised Statutes Cumulative
12 Supplement, 2004, is amended to read:

13 9-329.02 (1) A pickle card operator shall not be eligible
14 to sell individual pickle cards as opportunities to participate in
15 a lottery by the sale of pickle cards without first obtaining a
16 license.

17 (2) Any sole proprietorship, partnership, limited
18 liability company, or corporation wishing to operate as a pickle
19 card operator in this state shall file an application with the
20 department for a license on a form prescribed by the department.
21 Each application for a license shall include (a) the name, address,
22 and state identification number of the sole proprietorship,
23 partnership, limited liability company, or corporation applying
24 for the license, (b) a description of the premises on which the
25 pickle cards will be sold or offered for sale, (c) if the applicant

1 is an individual, the applicant's social security number, and (d)
2 such other information which the department deems necessary. The
3 information required by this subsection shall be kept current. A
4 pickle card operator shall notify the department within thirty days
5 if any information in the application is no longer correct and
6 shall supply the correct information.

7 (3)(a) Except as otherwise provided in this subsection,
8 a fee of fifty dollars shall be charged for each license issued
9 pursuant to this section and shall be paid for by the applicant.
10 A licensed organization shall not pay the required licensing fees
11 of a pickle card operator as an inducement for the pickle card
12 operator to sell individual pickle cards on its behalf. Except as
13 otherwise provided in this subsection, such licenses shall expire
14 on September 30 of each year or such other date as the department
15 may prescribe by rule and regulation and may be renewed annually.
16 The department shall remit the proceeds from such license fees to
17 the State Treasurer for credit to the Charitable Gaming Operations
18 Fund. An application for license renewal shall be submitted to the
19 department at least sixty days prior to the expiration date of the
20 license.

21 (b) Commencing October 1, 2001, a pickle card operator
22 license shall be a biennial license, shall expire on September 30
23 of each odd-numbered year or such other date as the department may
24 prescribe by rule and regulation, and may be renewed biennially.
25 The biennial license fee for a pickle card operator shall be one

1 hundred dollars.

2 (4) One license issued to any sole proprietorship,
3 partnership, limited liability company, or corporation under
4 this section as a pickle card operator shall cover the sole
5 proprietorship, partnership, limited liability company, or
6 corporation and the employees of the licensed pickle card operator.
7 Any license issued pursuant to this section shall be valid only for
8 the sole proprietorship, partnership, limited liability company, or
9 corporation in the name of which it was issued and shall allow the
10 sale of individual pickle cards only on the premises described in
11 the pickle card operator's application for a license. A pickle card
12 operator's license may not be transferred under any circumstances
13 including change of ownership.

14 (5) The department may prescribe a separate application
15 form for renewal purposes.

16 (6) A licensed pickle card operator shall not sell
17 individual pickle cards on behalf of a licensed organization
18 until an authorization has been obtained from the department
19 by the licensed organization. The licensed organization shall
20 file an application with the department for such authorization
21 on a form prescribed by the department. Each application for
22 an authorization shall include (a) the name, address, and state
23 identification number of the licensed pickle card operator and (b)
24 such other information which the department deems necessary. The
25 application shall include a statement signed by a person licensed

1 as a utilization-of-funds member signifying that such licensed
2 organization approves the pickle card operator to sell individual
3 pickle cards on behalf of such organization.

4 (7) A pickle card operator may sell individual pickle
5 cards on behalf of more than one licensed organization. Each
6 licensed organization for which the pickle card operator desires
7 to sell individual pickle cards shall obtain the authorization
8 described in subsection (6) of this section.

9 (8) (a) A pickle card operator who sells individual pickle
10 cards through a coin-operated or currency-operated dispensing
11 device shall purchase, lease, or rent its own equipment. If such
12 equipment is obtained from a licensed organization or distributor,
13 it shall be purchased, leased, or rented at a rate not less than
14 fair market value.

15 (b) A licensed organization or distributor shall not
16 provide ~~such~~ equipment to a pickle card operator free of charge or
17 at a rate less than fair market value as an inducement for the
18 pickle card operator to sell a licensed organization's individual
19 pickle cards. The department may require a licensed organization,
20 distributor, or pickle card operator to provide such documentation
21 as the department deems necessary to verify that a pickle card
22 operator has purchased, leased, or rented the equipment for a rate
23 not less than fair market value.

24 (9) (a) A pickle card operator who sells individual pickle
25 cards by an electronic pickle card device may not purchase its own

1 devices. Electronic pickle card devices shall be obtained from a
2 licensed organization and shall be rented or leased at a rate of at
3 least seventy-five dollars per month per device.

4 (b) The department may require a licensed organization
5 or distributor to verify the purchase of an electronic pickle card
6 device by providing such documentation as the department deems
7 necessary. A licensed organization shall not provide an electronic
8 pickle card device to a pickle card operator free of charge or
9 at a rate less than seventy-five dollars per month per device.
10 The department may also require a licensed organization or pickle
11 card operator to provide such documentation as the department deems
12 necessary to verify that a pickle card operator has leased or
13 rented an electronic pickle card device for a rate of at least
14 seventy-five dollars per month.

15 (10) No pickle card operator shall generate revenue
16 from the sale of individual pickle cards which exceeds the
17 revenue generated from other retail sales on an annual basis. For
18 purposes of this subsection, retail sales shall not include revenue
19 generated from other charitable gaming activities authorized by
20 Chapter 9.

21 Sec. 12. Section 9-331, Revised Statutes Cumulative
22 Supplement, 2004, is amended to read:

23 9-331 (1) No person, except a distributor operating
24 pursuant to the Nebraska Pickle Card Lottery Act, shall sell or
25 distribute any pickle card units or electronic pickle card devices

1 to any licensed organization.

2 (2) No distributor shall hold a license to conduct
3 a lottery by the sale of pickle cards or any other kind of
4 gambling activity which is authorized or regulated under Chapter
5 9 or a license to act as a sales agent, pickle card operator,
6 or manufacturer ~~of pickle cards or pickle card units~~ except as
7 provided in sections 9-255.07 and 9-632.

8 (3) If a distributor delivers any pickle card unit, he or
9 she shall deliver such unit only to a licensed utilization-of-funds
10 member for pickle cards, a licensed sales agent, a licensed gaming
11 manager, a bingo chairperson designated by an organization licensed
12 to conduct bingo pursuant to the Nebraska Bingo Act, or a person
13 who serves as a manager for a licensed organization which is
14 exempt under section 501(c)(8), (c)(10), or (c)(19) of the Internal
15 Revenue Code and shall not deliver any pickle card unit to any
16 other person, including a pickle card operator, unless otherwise
17 authorized by the department.

18 (4) No distributor shall offer or agree to offer anything
19 of value to any person in exchange for an agreement or commitment
20 by such person to exclusively sell pickle cards or electronic
21 pickle card devices sold by such distributor. Nothing in this
22 section shall prohibit a licensed organization or pickle card
23 operator from exclusively selling pickle cards or electronic pickle
24 card devices sold by a single distributor. No licensed organization
25 or pickle card operator shall accept or agree to accept anything

1 of value from a distributor in exchange for an agreement or
2 commitment by such licensed organization or pickle card operator to
3 exclusively sell pickle cards sold by such distributor. No licensed
4 organization shall accept or agree to accept anything of value from
5 a distributor in exchange for an agreement or commitment by such
6 licensed organization to exclusively sell electronic pickle card
7 devices sold by such distributor.

8 (5) No distributor or employee or spouse of any
9 distributor shall participate in the conduct or operation of any
10 lottery by the sale of pickle cards or any other kind of gambling
11 activity which is authorized or regulated under Chapter 9 except to
12 the exclusive extent of his or her statutory duties as a licensed
13 distributor and as provided in sections 9-255.07 and 9-632. No
14 distributor or employee or spouse of any distributor shall have
15 a substantial interest in another distributor, a manufacturer, a
16 manufacturer-distributor as defined in section 9-616 other than
17 itself, or a licensed organization or any other licensee regulated
18 under Chapter 9. Membership in any organization shall not be deemed
19 a violation of this section.

20 (6) A distributor shall purchase or otherwise obtain
21 pickle card units or electronic pickle card devices only from a
22 licensed manufacturer and shall pay for such units or electronic
23 pickle card devices by check within thirty days of delivery.

24 Sec. 13. Section 9-332, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 9-332 A manufacturer shall obtain a license from the
2 department prior to manufacturing or selling or supplying to any
3 licensed distributor in this state any pickle cards, ~~or~~ pickle
4 card units, or electronic pickle card devices or engaging in any
5 interstate activities relating to such pickle cards, ~~or~~ pickle card
6 units, or electronic pickle card devices, except that nothing in
7 this section shall prohibit a manufacturer from marketing, selling,
8 or otherwise providing pickle cards, ~~or~~ pickle card units, or
9 electronic pickle card devices to a federally recognized Indian
10 tribe for use in a Class II or Class III gaming activity authorized
11 by the federal Indian Gaming Regulatory Act. The applicant shall
12 include with the application form prescribed by the department
13 a biennial license fee of three thousand fifty dollars, a sworn
14 statement by the applicant or appropriate officer of the applicant
15 that the applicant will comply with all provisions of the Nebraska
16 Pickle Card Lottery Act and all rules and regulations adopted and
17 promulgated pursuant to the act, and such other information as the
18 department deems necessary. If the applicant is an individual, the
19 application shall include the applicant's social security number.

20 The applicant shall notify the department within thirty
21 days of any change in the information submitted on or with the
22 application form. The applicant shall comply with all applicable
23 laws of the United States and the State of Nebraska and all
24 applicable rules and regulations of the department.

25 Manufacturers' licenses shall expire on September 30 of

1 every odd-numbered year or such other date as the department may
2 prescribe by rule and regulation. Manufacturers' licenses may be
3 renewed biennially. An application for license renewal shall be
4 submitted to the department at least forty-five days prior to the
5 expiration date of the license.

6 Sec. 14. Section 9-332.01, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 9-332.01 Each manufacturer shall receive departmental
9 approval prior to selling in this state any type of pickle card,
10 pickle card unit, punchboard, or other similar card, board, or
11 ticket included in section 9-315 whether referred to by any other
12 name intended for resale in Nebraska or any electronic pickle card
13 device. Approval by the department shall be based upon, but not
14 limited to, the manufacture, assembly, and packaging of pickle
15 cards or pickle card units, the manufacture and assembly of any
16 electronic pickle card device, and any other specifications imposed
17 by the Nebraska Pickle Card Lottery Act or any rule or regulation
18 adopted and promulgated pursuant to the act.

19 Sec. 15. Section 9-333, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 9-333 Each manufacturer shall keep and maintain a
22 complete set of records detailing the manufacturer's pickle card
23 activities, including the name and state identification number of
24 each distributor purchasing pickle card units, the quantity and
25 type of each pickle card unit sold, including pickle card units

1 dispensed through an electronic pickle card device, and any other
2 information concerning pickle card units which the department deems
3 necessary. Such records shall be made available to the department
4 upon request. The department may require by rule and regulation
5 periodic reporting from a manufacturer relative to its pickle card
6 activities.

7 Sec. 16. Section 9-334, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 9-334 Each manufacturer ~~selling pickle cards and pickle~~
10 ~~card units in this state~~ that is not a resident or corporation
11 shall designate a natural person who is a resident of and living
12 in this state and is nineteen years of age or older as a resident
13 agent for the purpose of receipt and acceptance of service of
14 process and other communications on behalf of the manufacturer. The
15 name, business address where service of process and delivery of
16 mail can be made, and home address of such agent shall be filed
17 with the department.

18 Sec. 17. Section 9-336, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 9-336 Each manufacturer ~~of pickle cards or pickle card~~
21 ~~units~~ shall assign a serial number to each unit of pickle cards
22 he or she manufactures and place such number on each flare card
23 supplied by such manufacturer and on each pickle card in the unit.
24 No manufacturer shall sell or furnish to any person a unit of
25 pickle cards with the same serial number as a unit which such

1 manufacturer has previously distributed in this or any other state
2 within the three years prior to such sale or furnishing.

3 Sec. 18. Section 9-337, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 9-337 (1) Pickle cards shall be constructed or
6 electronically displayed so that it is impossible to determine
7 the covered or concealed number, letter, symbol, configuration, or
8 combination thereof on the pickle card until it has been dispensed
9 to and opened by the player, by any method or device, including,
10 but not limited to, the use of a an unauthorized marking, a
11 variance in size, a variance in paper fiber, or a light.

12 (2) All pickle cards shall be constructed or
13 electronically displayed to ensure that, when offered for sale
14 to the public, the pickle card is virtually opaque and free of
15 security defects so that winning pickle cards cannot be determined,
16 prior to being physically or electronically opened, through the use
17 of high-intensity lights or any other method.

18 (3) All pickle cards shall be constructed to conform in
19 all other respects to the provisions and specifications imposed by
20 the Nebraska Pickle Card Lottery Act or by rule or regulation as
21 to the manufacture, assembly, electronic display, or packaging of
22 pickle cards or pickle card units.

23 (4) Nothing in this section shall prohibit the department
24 from authorizing the use of pickle cards which are dispensed by an
25 electronic pickle card device or which are encrypted with a bar

1 code and are to be sold and played with the use of an electronic
2 pickle card device.

3 Sec. 19. Section 9-338, Revised Statutes Cumulative
4 Supplement, 2004, is amended to read:

5 9-338 (1) No manufacturer or representative thereof, with
6 knowledge or in circumstances under which he or she reasonably
7 should have known, shall manufacture, possess, display, sell, or
8 otherwise furnish to any person any pickle card, ~~or~~ or pickle card
9 unit, or electronic pickle card device:

10 (a) In which the winning ~~tab or tabs~~ pickle cards have
11 not been completely and randomly distributed and mixed among all
12 other ~~tabs~~ pickle cards in a series;

13 (b) In which the location or approximate location of
14 any of the winning ~~tab or tabs~~ pickle cards can be determined in
15 advance of opening the ~~tab or tabs~~ pickle cards in any manner or
16 by any device, including, but not limited to, any pattern in the
17 manufacture, assembly, or packaging of the ~~tabs or~~ pickle cards by
18 the manufacturer, by any unauthorized markings on the ~~tabs~~ pickle
19 cards or container, or by the use of a light;

20 (c) Which offers both a chance for an instant prize and
21 a possible chance to participate in a subsequent lottery activity,
22 except that pickle card units (i) may utilize a seal card to award
23 prizes or (ii) may utilize numbers drawn or selected in the conduct
24 of bingo pursuant to the Nebraska Bingo Act to award prizes; or

25 (d) Which does not conform in all other respects to the

1 requirements of the Nebraska Pickle Card Lottery Act and any other
2 specifications imposed by the department by rule and regulation as
3 to the manufacture, assembly, or packaging of pickle cards.

4 Any such ~~cards or units~~ pickle cards, pickle card units,
5 or electronic pickle card devices shall be contraband goods for
6 purposes of section 9-350.

7 (2) No manufacturer or representative thereof shall use
8 as a sales promotion any statement, demonstration, or implication
9 that any certain portion of a series of pickle cards contains
10 more winners than other portions of the series or that any
11 series of pickle cards or pickle card units may be sold by the
12 organization or its designated sales agent or pickle card operator
13 in a particular manner that would give the seller any advantage in
14 selling more of the pickle cards before having to pay out winners.

15 (3) Nothing in this section shall prohibit a manufacturer
16 from encrypting a pickle card with a bar code which enables such
17 pickle card to be sold and played with the use of an electronic
18 pickle card device.

19 Sec. 20. Section 9-340, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 9-340 (1) No manufacturer shall sell or otherwise provide
22 any pickle cards, ~~or~~ pickle card units, or electronic pickle card
23 devices to any person in Nebraska except a licensed distributor
24 or a federally recognized Indian tribe for use in a Class II or
25 Class III gaming activity authorized by the federal Indian Gaming

1 Regulatory Act. No distributor licensed in Nebraska shall purchase
2 or otherwise obtain any pickle cards, ~~or~~ pickle card units, or
3 electronic pickle card devices except from manufacturers licensed
4 in Nebraska.

5 (2) ~~No~~ Unless authorized by the department, no
6 distributor shall sell or otherwise provide any pickle card
7 units or electronic pickle card devices except to an organization
8 licensed to conduct a lottery by the sale of pickle cards
9 pursuant to the Nebraska Pickle Card Lottery Act or to a federally
10 recognized Indian tribe for use in a Class II or Class III gaming
11 activity authorized by the federal Indian Gaming Regulatory Act.
12 No pickle cards shall be sold by a distributor except in the form
13 of pickle card units. No distributor shall market or sell any
14 electronic pickle card device unless and until such device has been
15 approved by the department. No distributor shall market or sell any
16 pickle card unit for use in this state:

17 (a) Which has not been approved and authorized by the
18 department;

19 (b) Which has a card or play count in excess of six
20 thousand per pickle card unit;

21 (c) Which offers less than sixty-five percent or more
22 than eighty percent of the gross proceeds to be paid out in prizes;

23 (d) Which contains any pickle card or punch on a
24 punchboard, the individual purchase price of which exceeds one
25 dollar;

1 (e) In which any individual pickle card awards a prize or
2 prizes in excess of one thousand dollars;

3 (f) Which may be used for any gift enterprise as defined
4 in section 9-701;

5 (g) Unless and until a stamp obtained from the
6 department containing an identifying number has been permanently
7 and conspicuously affixed upon the flare card supplied by the
8 manufacturer for identification purposes. Once placed, such stamp
9 shall not be removed or tampered with by any person. The state
10 identification stamp shall be placed on each punchboard such that
11 the complete number, together with the symbol appearing thereon,
12 is plainly visible. State identification stamps shall be obtained
13 only from the department and only by a licensed distributor for ten
14 cents each. Such stamps shall be placed by the licensed distributor
15 only on items sold or furnished to licensed organizations in this
16 state. Such stamps shall not be transferred or furnished to any
17 other person unless already placed upon a punchboard or pickle card
18 unit; or

19 (h) Without the information required in section 9-346.

20 (3) The department may require a manufacturer seeking
21 approval of any pickle card unit or any electronic pickle
22 card device to pay the actual costs incurred by the department
23 in examining or testing the unit or device. If required, the
24 anticipated costs shall be paid in advance by the manufacturer.
25 After completion of the examination or testing, the department

1 shall refund overpayments or charge and collect amounts sufficient
2 to reimburse the department for underpayment of actual costs.

3 Sec. 21. Section 9-340.02, Revised Statutes Cumulative
4 Supplement, 2004, is amended to read:

5 9-340.02 (1) All pickle card units purchased by a
6 licensed organization from a licensed distributor shall be paid
7 for by a check drawn on the pickle card bank account of the
8 licensed organization either in advance of or upon delivery of the
9 pickle card units.

10 (2) A licensed pickle card operator shall remit the
11 definite profit, less not more than thirty percent of the definite
12 profit as allowed by subsection (4) of section 9-347, of all
13 pickle card units received to the sponsoring licensed organization
14 by check either in advance of or upon delivery of the pickle
15 card units from the sales agent to the pickle card operator. Upon
16 delivery of the pickle card units, the sales agent shall issue
17 the pickle card operator a standard receipt prescribed by the
18 department.

19 (3) Unless otherwise authorized by the department, pickle
20 card units shall be delivered to a pickle card operator only by a
21 sales agent's personal delivery or by delivery arranged by a sales
22 agent through the mail or by a common carrier.

23 (4) No licensed organization conducting a lottery by the
24 sale of pickle cards shall extend credit in any form, including,
25 but not limited to, the extension of any credit with regard to

1 the receipt of the definite profit, less not more than thirty
2 percent of the definite profit as allowed by subsection (4) of
3 section 9-347, of a pickle card unit from a pickle card operator
4 upon delivery of a pickle card unit to the pickle card operator
5 and the extension of any credit with regard to the sale or lease
6 of any equipment or coin-operated or currency-operated pickle card
7 dispensing device or the lease of any electronic pickle card device
8 used in connection with a lottery by the sale of pickle cards.

9 (5) All payments for the purchase, lease, or rental of
10 a coin-operated or currency-operated pickle card dispensing device
11 by a licensed organization shall be made by a check drawn on
12 the organization's pickle card checking account. All payments for
13 the purchase of an electronic pickle card device by a licensed
14 organization shall be made by a check drawn on the organization's
15 pickle card checking account.

16 (6) All payments for the purchase, lease, or rental of a
17 coin-operated or currency-operated pickle card dispensing device or
18 the lease of any electronic pickle card device by a licensed pickle
19 card operator from a licensed organization shall be made by a check
20 drawn on the business checking account of the pickle card operator
21 or a personal checking account of an owner, partner, or officer of
22 the pickle card operator, either at the time of or before placement
23 of the device or on or before the first day of the period of the
24 lease, whichever comes first.

25 (7) All lease or rental agreements between a licensed

1 organization and a licensed pickle card operator for coin-operated
2 or currency-operated pickle card dispensing devices or electronic
3 pickle card devices shall be subject to approval by the department.

4 (8) Nothing in this section shall prohibit a manufacturer
5 from using a distributor to distribute electronic pickle card
6 devices if all such devices are owned or are being purchased by a
7 licensed organization.

8 Sec. 22. Section 9-342, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 9-342 (1) Any organization licensed to conduct a lottery
11 by the sale of pickle cards shall purchase pickle card units and
12 electronic pickle card devices for such purposes from a distributor
13 and shall use the net profit from the sale of the pickle cards for
14 a lawful purpose.

15 (2) When any organization licensed to conduct a
16 lottery by the sale of pickle cards purchases pickle card units
17 or electronic pickle card devices from a distributor, such
18 organization shall provide the distributor with a copy of the
19 organization's license or other adequate identification indicating
20 that such organization has a valid license issued pursuant to
21 section 9-327.

22 (3) Only a person (a) licensed pursuant to section
23 9-327 as a utilization-of-funds member, (b) licensed pursuant to
24 section 9-329 as a sales agent, (c) licensed pursuant to section
25 9-232.01 as a gaming manager, (d) designated as a bingo chairperson

1 by an organization licensed to conduct bingo pursuant to the
2 Nebraska Bingo Act, or (e) who serves as a manager for a licensed
3 organization which is exempt under section 501(c)(8), (c)(10), or
4 (c)(19) of the Internal Revenue Code shall order pickle card units
5 or electronic pickle card devices from a distributor on behalf of
6 the organization. Only a person licensed as a utilization-of-funds
7 member shall purchase pickle card units from a distributor on
8 behalf of the organization. No pickle card operator shall order or
9 purchase any pickle card, ~~or~~ pickle card unit, or electronic pickle
10 card device from a distributor.

11 Sec. 23. Section 9-343, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 9-343 (1) A distributor shall maintain records of total
14 sales of pickle card units and, within thirty days after the end
15 of the calendar month or by the last day of the month following
16 each monthly period, whichever comes first, shall report to the
17 department, in a manner prescribed by the department, detailed
18 information concerning each sale, which information shall include,
19 but not be limited to, (a) the total number of pickle card units
20 sold by such distributor, (b) the aggregate price for which such
21 ~~cards~~ units will be sold by the purchasing organization, and (c)
22 any other information the department deems necessary.

23 (2) A distributor shall maintain a record of the serial
24 number of each pickle card unit sold and the corresponding state
25 identification stamp number assigned to each unit. Such information

1 shall be made available to the department upon request.

2 (3) A distributor shall maintain a detailed record of
3 the sale, lease, or rental of each electronic pickle card device,
4 including (a) the name and state identification number of the
5 licensed organization purchasing, renting, or leasing the device,
6 (b) the cost of the device to the licensed organization and
7 the terms and conditions of any agreement entered into with
8 the licensed organization for the purchase, lease, or rental of
9 the device, and (c) any other information the department deems
10 necessary.

11 Sec. 24. Section 9-345.01, Revised Statutes Cumulative
12 Supplement, 2004, is amended to read:

13 9-345.01 (1) A licensed organization may conduct a
14 lottery by the sale of pickle cards only at its designated
15 premises, at its regularly scheduled bingo occasion and its limited
16 period bingo conducted pursuant to the Nebraska Bingo Act, and at
17 the premises of one or more pickle card operators.

18 (2) A licensed organization may conduct a lottery by
19 the sale of pickle cards using electronic pickle card devices
20 only at its designated premises, at its regularly scheduled bingo
21 occasions and its limited period bingo conducted pursuant to the
22 Nebraska Bingo Act, and at the premises of one or more pickle card
23 operators.

24 (3) A licensed organization may obtain an authorization
25 from the department to sell its individual pickle cards at

1 a festival, bazaar, picnic, carnival, or similar special
2 function conducted by the licensed organization outside of the
3 organization's designated premises one time per twelve-month period
4 commencing October 1 of each year or such other date as the
5 department may prescribe by rule and regulation not to exceed seven
6 consecutive days if the special function is conducted within the
7 county in which the licensed organization has its principal office
8 and the pickle cards are sold only by volunteer members of the
9 licensed organization. A licensed organization shall make written
10 request to the department for such authorization at least ten days
11 prior to the start of the special function.

12 Sec. 25. Section 9-345.02, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 9-345.02 (1) Licensed organizations and pickle card
15 operators selling individual pickle cards or punchboards shall
16 conspicuously post the flare card for each pickle card unit in play
17 at that location. Licensed organizations and pickle card operators
18 selling pickle cards by the use of electronic pickle card devices
19 shall conspicuously display the flare card for each pickle card
20 unit in play in each device.

21 (2) Licensed organizations and pickle card operators
22 shall identify each flare card or punchboard in a manner prescribed
23 by the department indicating the name and state identification
24 number of each nonprofit organization on behalf of which individual
25 pickle cards and punches from punchboards are sold at such

1 location.

2 Sec. 26. Section 9-345.03, Revised Statutes Cumulative
3 Supplement, 2004, is amended to read:

4 9-345.03 (1) Any person who places a coin-operated or
5 currency-operated pickle card dispensing device or electronic
6 pickle card device in operation in this state without a current
7 registration decal affixed permanently and conspicuously to the
8 device shall be subject to an administrative penalty of thirty
9 dollars for each violation. The department shall remit the proceeds
10 from such penalties to the State Treasurer for credit to the
11 Charitable Gaming Operations Fund.

12 (2) Registration of the device with the department
13 shall be made by application to the department and shall be
14 the responsibility of (a) the licensed organization when such
15 device is (i) an electronic pickle card device or (ii) such device
16 is to be used in a licensed organization's designated premises or
17 at the location of its regularly scheduled bingo occasion or of
18 (b) the licensed pickle card operator when such device is not an
19 electronic pickle card device and is to be used on the premises of
20 the pickle card operator.

21 (3) Each application for registration shall include
22 (a) the name and address of the licensed pickle card operator
23 or licensed organization registering the device, (b) the state
24 identification number of the licensed pickle card operator or
25 licensed organization registering the device, (c) a detailed

1 description of the physical appearance and operation of the
2 device, and (d) such other information which the department deems
3 necessary.

4 (4) A fee of fifty dollars shall be charged for each
5 decal issued pursuant to this section. The department shall remit
6 the proceeds from the fee to the State Treasurer for credit to
7 the Charitable Gaming Operations Fund. All decals issued by the
8 department pursuant to this section shall expire on December 31 of
9 each year or such other date as the department may prescribe by
10 rule and regulation and shall be renewed annually.

11 (5) The registration decal issued by the department
12 pursuant to this section shall not be transferable.

13 (6) Upon request by the Tax Commissioner or his or her
14 agents or employees, the licensed organization or pickle card
15 operator responsible for registering the device shall provide
16 the requesting individual immediate access to any pickle cards
17 contained within such device.

18 (7) Any person violating any provision of this section
19 shall be deemed guilty of a Class II misdemeanor. Each day on which
20 any person engages in or conducts the business of operating any
21 device subject to this section without having paid the penalty or
22 the registration as provided constitutes a separate offense.

23 Sec. 27. Section 9-346, Revised Statutes Cumulative
24 Supplement, 2004, is amended to read:

25 9-346 (1) The winning cards, boards, ~~or~~ tickets, or

1 electronic pickle cards in any lottery by the sale of pickle
2 cards shall be determined by a comparison of those numbers,
3 letters, symbols, or configurations, or combination thereof, which
4 are revealed on the pickle cards, to a set of numbers, letters,
5 symbols, or configurations, or combination thereof, which has been
6 previously specified as a winning combination. Whenever the winning
7 combinations do not comprise a statement of the cash prize won, the
8 winning combinations shall be printed or electronically displayed
9 on every pickle card that is wider than one inch or longer
10 than two and one-half inches. Pickle cards that are smaller than
11 such dimensions shall have the winning combinations printed or
12 electronically displayed on a flare card that is publicly displayed
13 at the point of sale of the pickle cards.

14 (2) The winning chances of any pickle card shall not
15 be determined or otherwise known until after its purchase and
16 only upon opening, pulling, detaching, breaking open, or otherwise
17 removing the tab or tabs or electronically displaying or opening
18 by the use of an electronic pickle card device to clearly reveal
19 or otherwise appropriately revealing the combination, except that
20 nothing in this section shall prohibit an electronic pickle card
21 device from displaying whether a dispensed pickle card is a winning
22 or losing card. The winning chances shall be determined by and
23 based upon an element of chance.

24 (3) Any person possessing a winning pickle card shall
25 receive the appropriate cash prize previously determined and

1 specified for that winning combination. If a conflict exists
2 between the prize displayed by an electronic pickle card device and
3 the actual ticket issued by the device, the prize authorized by the
4 actual ticket shall prevail.

5 (4) ~~All pickle cards shall~~ Each pickle card shall
6 electronically display or legibly bear on the outside of each
7 the pickle card the name of the licensed organization conducting
8 the lottery by the sale of pickle cards and such organization's
9 state identification number.

10 (5) Nothing in this section shall prohibit (a)
11 punchboards which allow the person who purchases the last punch
12 on the punchboard to receive a cash prize predetermined by the
13 manufacturer as a result of purchasing the last punch, (b) pickle
14 card units which utilize a seal card which allows a seal card
15 winner to receive a cash prize predetermined by the manufacturer,
16 (c) pickle card units which utilize a seal card as described in
17 this section which allow the person who purchases the last pickle
18 card of such a unit to receive a cash prize predetermined by the
19 manufacturer as a result of purchasing the last pickle card, or (d)
20 pickle card units which are designed by a manufacturer to utilize
21 bingo numbers drawn during the conduct of bingo to determine a
22 winning combination. Such pickle card units shall be sold by a
23 licensed distributor only to an organization licensed to conduct
24 a lottery by the sale of pickle cards which is also licensed to
25 conduct bingo and shall be played only at the bingo premises of the

1 licensed organization during a bingo occasion conducted pursuant
2 to the Nebraska Bingo Act.

3 Sec. 28. Section 9-347, Revised Statutes Cumulative
4 Supplement, 2004, is amended to read:

5 9-347 (1) The gross proceeds of any lottery by the sale
6 of pickle cards shall be used solely for lawful purposes, awarding
7 of prizes, payment of the unit cost, any commission paid to a
8 pickle card operator, allowable expenses, and allocations for bingo
9 expenses as provided by subsection (5) of this section.

10 (2) Not less than sixty-five percent or more than eighty
11 percent of the gross proceeds of any lottery by the sale of pickle
12 cards shall be used for the awarding of prizes.

13 (3) Not more than eight percent of the definite profit of
14 a pickle card unit shall be used by the licensed organization to
15 pay the allowable expenses of operating a lottery by the sale of
16 pickle cards, except that license fees paid to the department to
17 license the organization, each utilization-of-funds member, and any
18 sales agent and pickle card dispensing device and electronic pickle
19 card device registration fees shall not be included in determining
20 the eight-percent limitation on expenses and no portion of such
21 eight percent shall be used to pay any expenses associated with
22 the sale of pickle cards at a bingo occasion conducted pursuant to
23 the Nebraska Bingo Act, and of such eight percent not more than
24 four percent of the definite profit may be used by the licensed
25 organization for the payment of any commission, salary, or fee to a

1 sales agent in connection with the marketing, sale, and delivery of
2 a pickle card unit. When determining the eight percent of definite
3 profit that is permitted to pay the allowable expenses of operating
4 a lottery by the sale of pickle cards, the definite profit from the
5 sale of pickle cards at the organization's bingo occasions shall
6 not be included.

7 (4) Not more than thirty percent of the definite profit
8 of a pickle card unit shall be used by a licensed organization
9 to pay a pickle card operator a commission, fee, or salary for
10 selling individual pickle cards as opportunities for participation
11 in a lottery by the sale of pickle cards on behalf of the licensed
12 organization.

13 (5) An organization licensed to conduct bingo pursuant
14 to the Nebraska Bingo Act may allocate a portion of the expenses
15 associated with the conduct of its bingo occasions to its lottery
16 by the sale of pickle cards conducted at such bingo occasions.
17 Such allocation shall be based upon the percentage that pickle
18 card gross proceeds derived from the sale of pickle cards at the
19 bingo occasions represents to the total of bingo gross receipts
20 and pickle card gross proceeds derived from such bingo occasions
21 for the previous annual reporting period. An organization licensed
22 to conduct bingo that has not been previously licensed shall
23 determine such allocation based upon the percentage that pickle
24 card gross proceeds derived from the sale of pickle cards at the
25 bingo occasions represents to the total of bingo gross receipts

1 and pickle card gross proceeds derived from such bingo occasions
2 for the initial three consecutive calendar months of operation.
3 The total amount of expenses that may be allocated to the
4 organization's lottery by the sale of pickle cards shall be
5 subject to the limitations on bingo expenses as provided for in
6 the Nebraska Bingo Act with respect to the fourteen-percent expense
7 limitation and the fair-market-value limitation on the purchase,
8 rental, or lease of bingo equipment and the rental or lease of
9 personal property or of a premises for the conduct of bingo. No
10 expenses associated with the conduct of bingo may be paid directly
11 from the pickle card checking account. A licensed organization
12 which needs to allocate a portion of the expenses associated with
13 the conduct of its bingo occasions to its lottery by the sale
14 of pickle cards conducted at such bingo occasions to pay bingo
15 expenses as provided by this section shall transfer funds from the
16 pickle card checking account to the bingo checking account by a
17 check drawn on the pickle card checking account or by electronic
18 funds transfer.

19 Sec. 29. Section 9-348, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 9-348 (1) The definite profit, less not more than thirty
22 percent of the definite profit as allowed by subsection (4) of
23 section 9-347, of any lottery by the sale of pickle cards and
24 all amounts received by any licensed organization from the sale,
25 lease, or rental of coin-operated or currency-operated pickle

1 card dispensing devices or electronic pickle card devices shall
2 be segregated from other revenue of any licensed organization
3 conducting the lottery and placed in a separate checking account.
4 All lawful purpose donations and expenses relating to the licensed
5 organization's lottery by the sale of pickle cards, including the
6 allowable expenses, any license fees paid to the department to
7 license the organization, each utilization-of-funds member, and
8 any sales agent, coin-operated or currency-operated pickle card
9 dispensing device registration fees, electronic pickle card device
10 registration fees, and the unit cost but excluding the payment of
11 prizes for winning pickle cards, shall be paid by check from such
12 account and shall be made payable to the ultimate use of such
13 lawful purpose donations or expenses.

14 (2) Separate records shall be maintained by any licensed
15 organization conducting a lottery by the sale of pickle cards.
16 Each nonprofit organization conducting a lottery by the sale of
17 pickle cards shall keep a record of all locations or persons
18 who are paid to sell pickle cards. Records and lists required
19 by the Nebraska Pickle Card Lottery Act shall be preserved for
20 at least three years. Any law enforcement agency or other agency
21 of government shall have the authority to investigate the records
22 relating to lotteries by the sale of pickle cards and gross
23 proceeds from such lotteries at any time. Organizations shall,
24 upon proper written request, deliver all such records to the
25 department, law enforcement agency, or other agency of government

1 for investigation.

2 Sec. 30. Section 9-349, Revised Statutes Cumulative
3 Supplement, 2004, is amended to read:

4 9-349 (1) A licensed organization conducting a lottery by
5 the sale of pickle cards shall report annually to the department,
6 on a form prescribed by the department, a complete and accurate
7 accounting of its gross proceeds from the lottery by the sale
8 of pickle cards. The annual report shall demonstrate that the
9 organization's definite profit from pickle card sales has been
10 retained in the organization's pickle card checking account or
11 expended solely for allowable expenses, unit costs, any pickle
12 card operator commissions, lawful purpose donations, any license
13 fees paid to the department to license the organization, each
14 utilization-of-funds member, and any sales agent, coin-operated or
15 currency-operated pickle card dispensing device registration fees,
16 electronic pickle card device registration fees, or any bingo
17 expenses allocated to the sale of pickle cards as provided for in
18 section 9-347.

19 (2) The annual report shall cover the organization's
20 lottery by the sale of pickle cards activities from July 1 through
21 June 30 of each year or such other period as the department may
22 prescribe by rule and regulation. Such report shall be submitted to
23 the department on or before August 15 of each year or such other
24 date as the department may prescribe by rule and regulation.

25 (3) A copy of the report shall be submitted to the

1 organization's membership.

2 (4) Upon dissolution of a licensed organization or if
3 a previously licensed organization does not renew its license to
4 conduct a lottery by the sale of pickle cards, its license renewal
5 application is denied, or its license is canceled or revoked, all
6 remaining profits derived from the conduct of the lottery by the
7 sale of pickle cards shall be utilized for a lawful purpose and
8 shall not be distributed to any private individual or shareholder.
9 A complete and accurate report of the organization's pickle card
10 activity shall be filed with the department, on a form prescribed
11 by the department, no later than forty-five days after the date
12 the organization is dissolved or no later than forty-five days
13 after the expiration date of the license or the effective date
14 of the license renewal application denial or license cancellation
15 or revocation. The report shall cover the period from the end
16 of the organization's most recent annual report filed through the
17 date the organization is dissolved or the date the license renewal
18 application has been denied or the license has been canceled or
19 revoked or has otherwise expired. The organization shall include
20 with the report a plan for the disbursement of any remaining
21 profits which shall be subject to approval by the department. Such
22 plan shall identify the specific purposes for which the remaining
23 profits will be utilized.

24 (5) In addition to the reports required by subsections
25 (1) and (4) of this section, the department may prescribe by rule

1 and regulation the filing of a pickle card revenue status report
2 by August 15 of each year or such other date as the department
3 may prescribe by rule and regulation, on a form prescribed by the
4 department, listing all disbursements of pickle card revenue until
5 all such revenue has been expended either for allowable expenses or
6 for a lawful purpose.

7 Sec. 31. Section 9-350, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 9-350 (1) The Tax Commissioner or his or her agents or
10 employees, at the direction of the Tax Commissioner, or any peace
11 officer of this state may seize, without a warrant, the following
12 contraband goods found any place in this state: (a) Any pickle
13 cards, ~~and~~ pickle card units, and electronic pickle card devices
14 declared to be contraband goods in section 9-338; (b) any pickle
15 cards that are not properly printed as required in section 9-346
16 or on which the tax has not been paid, except for pickle cards in
17 the possession of a licensed distributor or licensed manufacturer;
18 (c) any pickle cards, ~~or~~ pickle card units, or electronic pickle
19 card devices purchased by any licensed organization from any source
20 other than a licensed distributor; (d) any pickle cards, ~~or~~ pickle
21 card units, or electronic pickle card devices that are being sold
22 without all of the proper licenses; (e) any pickle card units, ~~or~~
23 pickle cards, or electronic pickle card devices that have been sold
24 or obtained in violation of the Nebraska Pickle Card Lottery Act
25 or any rules or regulations adopted and promulgated pursuant to

1 such act; (f) any pickle cards, ~~or~~ pickle card units, or electronic
2 pickle card devices in the possession of any licensee whose license
3 has been revoked, canceled, or suspended or any pickle cards,
4 ~~or~~ pickle card units, or electronic pickle card devices in the
5 possession of any former licensee whose license has expired; or
6 (g) any coin-operated or currency-operated pickle card dispensing
7 device or electronic pickle card device which contains any pickle
8 cards deemed to be contraband goods pursuant to this subsection or
9 any such device which does not have permanently and conspicuously
10 affixed to it a current registration decal required by section
11 9-345.03.

12 (2) The Tax Commissioner may, upon satisfactory proof,
13 direct return of any confiscated ~~pickle cards or pickle card units~~
14 contraband goods when he or she has reason to believe that the
15 entity from whom the ~~pickle cards or pickle card units~~ contraband
16 goods were confiscated has not willfully or intentionally evaded
17 any tax or failed to comply with the Nebraska Pickle Card
18 Lottery Act. Upon receipt of an affidavit of ownership, the Tax
19 Commissioner shall relinquish possession of a seized coin-operated
20 or currency-operated pickle card dispensing device or electronic
21 pickle card device to the lawful owners of the device if the device
22 is not needed as evidence by the department, any county attorney,
23 or the Attorney General at an administrative or judicial hearing,
24 if contraband pickle cards have been removed from the device, and
25 in the event the device was seized due to a violation of subsection

1 (2) of section 9-345.03, if the entity ~~who~~ which was utilizing
2 the device has applied for and has received a current registration
3 decal for the seized device.

4 (3) The Tax Commissioner may, upon finding that an entity
5 in possession of contraband goods has willfully or intentionally
6 evaded any tax or failed to comply with the act, confiscate such
7 goods. Any pickle cards, ~~or~~ pickle card units, coin-operated or
8 currency-operated pickle card dispensing devices, or electronic
9 pickle card devices confiscated shall be destroyed.

10 (4) The seizure and destruction of coin-operated or
11 currency-operated pickle card dispensing devices, electronic pickle
12 card devices, pickle cards, or pickle card units shall not
13 relieve any person from a fine, imprisonment, or other penalty
14 for violation of the act.

15 (5) The Tax Commissioner or his or her agents or
16 employees, at the direction of the Tax Commissioner, may
17 seal any pickle cards, pickle card units, ~~or~~ coin-operated or
18 currency-operated pickle card dispensing devices, or electronic
19 pickle card devices deemed to be contraband goods pursuant to this
20 section. Such seal shall not be broken until authorized by the Tax
21 Commissioner or his or her agents or employees. If the seal on a
22 coin-operated or currency-operated pickle card dispensing device
23 or electronic pickle card device is broken prior to payment of
24 the penalty and registration of the device required under section
25 9-345.03, the device shall be subject to forfeiture and sale by

1 the Tax Commissioner.

2 (6) The Tax Commissioner or his or her agents or
3 employees, when directed to do so by the Tax Commissioner, or
4 any peace officer of this state shall not be responsible for
5 negligence in any court for the sealing, seizure, or confiscation
6 of any coin-operated or currency-operated pickle card dispensing
7 device, electronic pickle card device, pickle card, or pickle card
8 unit pursuant to this section.

9 (7) Possession of pickle cards, ~~or~~ pickle card units,
10 coin-operated or currency-operated pickle card dispensing devices,
11 or electronic pickle card devices which are deemed to be contraband
12 goods pursuant to this section shall be a violation of the Nebraska
13 Pickle Card Lottery Act.

14 Sec. 32. Section 9-351, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 9-351 (1) No person or organization other than those
17 qualifying under section 9-326 and licensed pursuant to section
18 9-327 shall be permitted to conduct a lottery by the sale of pickle
19 cards in this state.

20 (2) No person other than a licensed distributor or
21 manufacturer shall possess pickle cards that are not properly
22 printed with the information required in section 9-346, including
23 the electronic display of such information by an electronic pickle
24 card device.

25 (3) Any person who violates this section shall be guilty

1 of a Class I misdemeanor.

2 Sec. 33. Section 9-352, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 9-352 (1) Except when another penalty is specifically
5 provided, any person or licensee, or employee or agent thereof, who
6 violates any provision of the Nebraska Pickle Card Lottery Act, or
7 who causes, aids, abets, or conspires with another to cause any
8 person or licensee or any employee or agent thereof to violate the
9 act, shall be guilty of a Class I misdemeanor for the first offense
10 and a Class IV felony for any second or subsequent violation.
11 Any licensee guilty of violating any provision of the act more
12 than once in a twelve-month period may have its license canceled
13 or revoked. Such matters may also be referred to any other state
14 licensing agencies for appropriate action.

15 (2) Each of the following violations of the Nebraska
16 Pickle Card Lottery Act shall be a Class IV felony:

17 (a) Giving, providing, or offering to give or provide,
18 directly or indirectly, to any public official, employee, or agent
19 of this state, or any agencies or political subdivisions of this
20 state, any compensation or reward or share of the money for
21 property paid or received through gambling activities regulated
22 under Chapter 9 in consideration for obtaining any license,
23 authorization, permission, or privilege to participate in any
24 gaming operations except as authorized under Chapter 9 or any rules
25 and regulations adopted and promulgated pursuant to such chapter;

1 (b) Making or receiving payment of a portion of the
2 purchase price of pickle cards by a seller of pickle cards to a
3 buyer of pickle cards to induce the purchase of pickle cards or to
4 improperly influence future purchases of pickle cards;

5 (c) Using bogus, counterfeit, or nonopaque pickle cards,
6 pull tabs, break opens, punchboards, jar tickets, or any other
7 similar card, board, or ticket or substituting or using any pickle
8 cards, pull tabs, or jar tickets that have been marked or tampered
9 with;

10 (d) Intentionally employing or possessing any device to
11 facilitate cheating in any lottery by the sale of pickle cards
12 or use of any fraudulent scheme or technique in connection with
13 any lottery by the sale of pickle cards when the amount gained or
14 intended to be gained through the use of such items, schemes, or
15 techniques is three hundred dollars or more;

16 (e) Knowingly filing a false report under the Nebraska
17 Pickle Card Lottery Act;

18 (f) Knowingly falsifying or making any false entry in any
19 books or records with respect to any transaction connected with the
20 conduct of a lottery by the sale of pickle cards; or

21 (g) Knowingly selling or distributing or knowingly
22 receiving with intent to sell or distribute pickle cards, ~~or~~
23 pickle card units, or electronic pickle card devices without first
24 obtaining a license in accordance with the Nebraska Pickle Card
25 Lottery Act pursuant to section 9-329, 9-329.03, 9-330, or 9-332.

1 (3) In all proceedings initiated in any court or
2 otherwise under the act, it shall be the duty of the Attorney
3 General and appropriate county attorney to prosecute and defend all
4 such proceedings.

5 (4) The failure to do any act required by or under the
6 Nebraska Pickle Card Lottery Act shall be deemed an act in part in
7 the principal office of the department. Any prosecution under such
8 act may be conducted in any county where the defendant resides or
9 has a place of business or in any county in which any violation
10 occurred.

11 (5) In the enforcement and investigation of any offense
12 committed under the act, the department may call to its aid any
13 sheriff, deputy sheriff, or other peace officer in the state.

14 Sec. 34. Section 28-1101, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 28-1101 As used in this article, unless the context
17 otherwise requires:

18 (1) A person advances gambling activity if, acting other
19 than as a player, he or she engages in conduct that materially aids
20 any form of gambling activity. Conduct of this nature includes,
21 but shall not be limited to, conduct directed toward (a) the
22 creation or establishment of the particular game, contest, scheme,
23 device, or activity involved, (b) the acquisition or maintenance of
24 premises, paraphernalia, equipment, or apparatus therefor, or (c)
25 engaging in the procurement, sale, or offering for sale within this

1 state of any chance, share, or interest in a lottery of another
2 state or government whether or not such chance, share, or interest
3 is an actual lottery ticket, receipt, contingent promise to pay,
4 order to purchase, or other record of such interest except as
5 provided in the Nebraska County and City Lottery Act, the Nebraska
6 Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the
7 Nebraska Small Lottery and Raffle Act, the State Lottery Act, or
8 section 9-701;

9 (2) Bookmaking shall mean advancing gambling activity by
10 unlawfully accepting bets from members of the public as a business
11 upon the outcome of future contingent events;

12 (3) A person profits from gambling activity if, other
13 than as a player, he or she accepts or receives money or other
14 property pursuant to an agreement or understanding with any person
15 whereby he or she participates or is to participate in the proceeds
16 of gambling activity;

17 (4) A person engages in gambling if he or she bets
18 something of value upon the outcome of a future event, which
19 outcome is determined by an element of chance, or upon the outcome
20 of a game, contest, or election, or conducts or participates in
21 any bingo, lottery by the sale of pickle cards, lottery, raffle,
22 gift enterprise, or other scheme not authorized or conducted in
23 accordance with the Nebraska Bingo Act, the Nebraska County and
24 City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska
25 Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act,

1 the State Lottery Act, or section 9-701, but a person does not
2 engage in gambling by:

3 (a) Entering into a lawful business transaction;

4 (b) Playing an amusement device or a coin-operated
5 mechanical game which confers as a prize an immediate, unrecorded
6 right of replay not exchangeable for something of value;

7 (c) Conducting or participating in a prize contest; or

8 (d) Conducting or participating in any bingo, lottery
9 by the sale of pickle cards, lottery, raffle, or gift enterprise
10 conducted in accordance with the Nebraska Bingo Act, the Nebraska
11 County and City Lottery Act, the Nebraska Lottery and Raffle Act,
12 the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery
13 and Raffle Act, the State Lottery Act, or section 9-701;

14 (5) Gambling device shall mean any device, machine,
15 paraphernalia, writing, paper, instrument, article, or equipment
16 that is used or usable for engaging in gambling, whether that
17 activity consists of gambling between persons or gambling by a
18 person involving the playing of a machine. Gambling device shall
19 also include any mechanical gaming device, computer gaming device,
20 electronic gaming device, or video gaming device which has the
21 capability of awarding something of value, free games redeemable
22 for something of value, instant-win tickets which also provide
23 the possibility of participating in a subsequent drawing or event,
24 or tickets or stubs redeemable for something of value, except as
25 authorized in the furtherance of parimutuel wagering. Supplies,

1 equipment, cards, tickets, stubs, electronic devices, and other
2 items used in any bingo, lottery by the sale of pickle cards,
3 other lottery, raffle, or gift enterprise conducted in accordance
4 with the Nebraska Bingo Act, the Nebraska County and City Lottery
5 Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card
6 Lottery Act, the Nebraska Small Lottery and Raffle Act, the State
7 Lottery Act, or section 9-701 are not gambling devices within this
8 definition;

9 (6) Something of value shall mean any money or
10 property, any token, object, or article exchangeable for money or
11 property, or any form of credit or promise directly or indirectly
12 contemplating transfer of money or property or of any interest
13 therein, or involving extension of a service or entertainment; and

14 (7) Prize contest shall mean any competition in which one
15 or more competitors are awarded something of value as a consequence
16 of winning or achieving a certain result in the competition and
17 (a) the value of such awards made to competitors participating in
18 the contest does not depend upon the number of participants in the
19 contest or upon the amount of consideration, if any, paid for the
20 opportunity to participate in the contest or upon chance and (b)
21 the value or identity of such awards to be made to competitors is
22 published before the competition begins.

23 Sec. 35. Section 77-3001, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 77-3001 For purposes of the Mechanical Amusement Device

1 Tax Act, unless the context otherwise requires:

2 (1) Person means an individual, partnership, limited
3 liability company, society, association, joint-stock company,
4 corporation, estate, receiver, lessee, trustee, assignee, referee,
5 or other person acting in a fiduciary or representative capacity,
6 whether appointed by a court or otherwise, and any combination of
7 individuals;

8 (2) Mechanical amusement device means any machine which,
9 upon insertion of a coin, currency, credit card, or substitute
10 into the machine, operates or may be operated or used for a game,
11 contest, or amusement of any description, such as, by way of
12 example, but not by way of limitation, pinball games, shuffleboard,
13 bowling games, radio-ray rifle games, baseball, football, racing,
14 boxing games, and coin-operated pool tables. Mechanical amusement
15 device also includes game and draw lotteries and coin-operated
16 automatic musical devices. The term does not mean vending machines
17 which dispense tangible personal property, devices located in
18 private homes for private use, pickle card dispensing devices or
19 electronic pickle card devices which are required to be registered
20 with the Department of Revenue pursuant to section 9-345.03, or
21 devices which are mechanically constructed in a manner that would
22 render their operation illegal under the laws of the State of
23 Nebraska;

24 (3) Operator means any person who operates a place of
25 business in which a machine or device owned by him or her is

1 physically located or any person who places and who either directly
2 or indirectly controls or manages any machine or device;

3 (4) Distributor means any person who sells, leases, or
4 delivers possession or custody of a machine or mechanical device to
5 operators thereof for a consideration either directly or indirectly
6 received;

7 (5) Whenever in the act, the words machine or device are
8 used, they refer to mechanical amusement device; and

9 (6) Whenever in the act, the words machine, device,
10 person, operator, or distributor are used, the words in the
11 singular include the plural and in the plural include the singular.

12 Sec. 36. If any section in this act or any part of any
13 section is declared invalid or unconstitutional, the declaration
14 shall not affect the validity or constitutionality of the remaining
15 portions.

16 Sec. 37. Original sections 9-307, 9-313, 9-317, 9-332,
17 9-332.01, 9-333, 9-334, 9-336, 9-337, 9-340, 9-342, 9-343,
18 9-345.02, 9-348, 9-350, 9-351, 9-352, 28-1101, and 77-3001, Reissue
19 Revised Statutes of Nebraska, and sections 9-301, 9-303, 9-304,
20 9-315, 9-322, 9-329.02, 9-331, 9-338, 9-340.02, 9-345.01, 9-345.03,
21 9-346, 9-347, and 9-349, Revised Statutes Cumulative Supplement,
22 2004, are repealed.